



Fiscal year 2008

(March 31, 2009)

# OUTLINE OF FINANCIAL RESULTS

 **TOYO ENGINEERING CORPORATION**

**May 14, 2009**

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\* Unit of amount figures shown in this material is billion yen with first decimal place on round down basis.

# Performance summary



- *Operating and ordinary income marked record high.*
- *Not reached of new order's target due to global financial crisis.*

< Billion yen >

	2008/3	2009/3	Difference		Forecast 2009/3	Difference	Achievement
<b>Net sales</b>	<b>327.4</b>	<b>326.2</b>	<b>(1.2)</b>	<b>-0%</b>	<b>330.0</b>	<b>(3.8)</b>	<b>99%</b>
<b>Gross profit</b>	<b>34.4</b>	<b>34.7</b>	<b>0.3</b>	<b>+1%</b>	<b>35.0</b>	<b>(0.3)</b>	<b>99%</b>
Gross profit rate	10.5%	10.7%	0.2%		10.6%	0.1%	
<b>Operating income</b>	<b>13.7</b>	<b>15.1</b>	<b>1.4</b>	<b>+10%</b>	<b>15.0</b>	<b>0.1</b>	<b>101%</b>
Operating income rate	4.2%	4.6%	0.4%		4.5%	0.1%	
<b>Ordinary income</b>	<b>16.0</b>	<b>16.1</b>	<b>0.1</b>	<b>+1%</b>	<b>16.5</b>	<b>(0.4)</b>	<b>98%</b>
<b>Net income</b>	<b>8.0</b>	<b>6.5</b>	<b>(1.5)</b>	<b>-19%</b>	<b>8.5</b>	<b>(2.0)</b>	<b>76%</b>
<b>New orders</b>	<b>268.6</b>	<b>119.2</b>	<b>(149.4)</b>	<b>-56%</b>	<b>220.0</b>	<b>(100.8)</b>	<b>54%</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥6.0</b>	<b>¥7.0</b>	<b>¥1.0</b>		<b>¥7.0</b>	<b>¥0.0</b>	<b>100%</b>

Exchange rate for Forecast 1US\$= ¥95.00

# Income statement

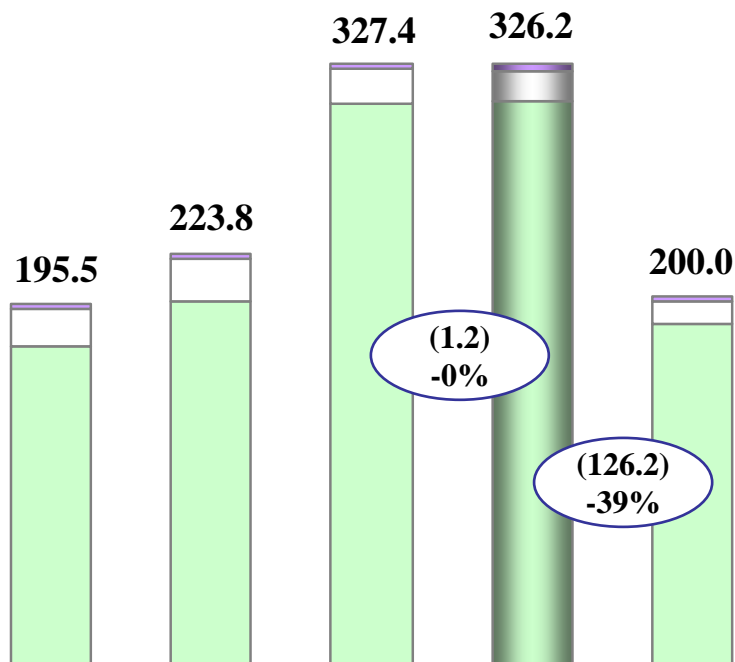


< Billion yen >

	2008/3		2009/3		Difference	Forecast 2009/3	Difference
	Billions of yen	%	Billions of yen	%	Billions of yen		
<b>Net sales</b>	<b>327.4</b>	100.0	<b>326.2</b>	100.0	<b>(1.2)</b>	<b>330.0</b>	<b>(3.8)</b>
Cost of sales	292.9	89.5	291.4	89.3	1.5		
<b>Gross profit</b>	<b>34.4</b>	10.5	<b>34.7</b>	10.7	<b>0.3</b>	<b>35.0</b>	<b>(0.3)</b>
Selling, general and administrative expenses	20.6	6.3	19.5	6.0	1.1		
<b>Operating income</b>	<b>13.7</b>	4.2	<b>15.1</b>	4.6	<b>1.4</b>	<b>15.0</b>	<b>0.1</b>
Non-operating income	3.2	1.0	2.6	0.8	(0.6)		
Non-operating expenses	1.0	0.3	1.7	0.5	(0.7)		
Total non-operating income and expenses	2.2		0.9		(1.3)		
<b>Ordinary income</b>	<b>16.0</b>	4.9	<b>16.1</b>	4.9	<b>0.1</b>	<b>16.5</b>	<b>(0.4)</b>
Extraordinary gain	0.1	0.1	0.1	0.0	0.0		
Extraordinary loss	1.2	0.4	3.3	1.0	(2.1)		
Total extraordinary gain and loss	(1.0)		(3.1)		(2.1)		
<b>Income before income taxes and minority interests</b>	<b>14.9</b>	4.6	<b>13.0</b>	4.0	<b>(1.9)</b>		
Current income taxes and Deferred income taxes	6.4	2.0	6.1	1.9	0.3		
Minority interests	0.4	0.1	0.3	0.1	0.1		
<b>Net income</b>	<b>8.0</b>	2.5	<b>6.5</b>	2.0	<b>(1.5)</b>	<b>8.5</b>	<b>(2.0)</b>

# Net sales

< Billion yen >



	2006/3	2007/3	2008/3	2009/3	Forecast 2010/3
EPC	173.3	197.1	305.4	<b>306.9</b>	185.3
IT	20.1	23.7	18.2	<b>15.8</b>	11.5
Real estate	2.1	3.0	3.8	<b>3.5</b>	3.2
<b>Total</b>	<b>195.5</b>	<b>223.8</b>	<b>327.4</b>	<b>326.2</b>	<b>200.0</b>

## Compared with forecast for 2009/3

	Forecast	2009/3	Difference	Achievement
EPC	311.6	<b>306.9</b>	(4.7)	98%
IT	14.5	<b>15.8</b>	1.3	109%
Real estate	3.9	<b>3.5</b>	(0.4)	90%
<b>Total</b>	<b>330.0</b>	<b>326.2</b>	<b>(3.8)</b>	<b>99%</b>

## Compared with last fiscal year

	2008/3	2009/3	Difference	
EPC	305.4	<b>306.9</b>	+1.5	+0%
IT	18.2	<b>15.8</b>	(2.4)	-13%
Real estate	3.8	<b>3.5</b>	(0.3)	-8%
<b>Total</b>	<b>327.4</b>	<b>326.2</b>	<b>(1.2)</b>	<b>-0%</b>

	2008/3	2009/3	Difference
Japan	70.8	<b>71.7</b>	+0.9
%	22%	<b>22%</b>	+0%
Overseas	256.6	<b>254.5</b>	(2.1)
%	78%	<b>78%</b>	-0%
<b>Total</b>	<b>327.4</b>	<b>326.2</b>	<b>(1.2)</b>

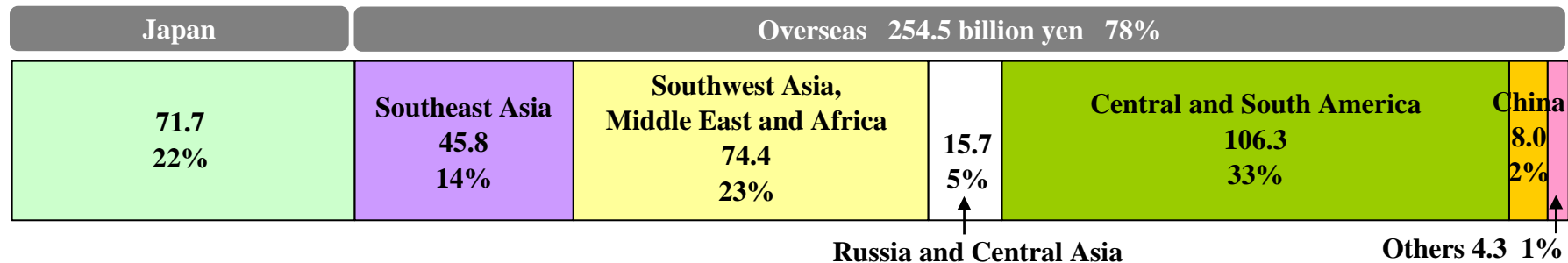
# Net sales



**2009/3 Net sales : 326.2 billion yen**

< Billion yen >

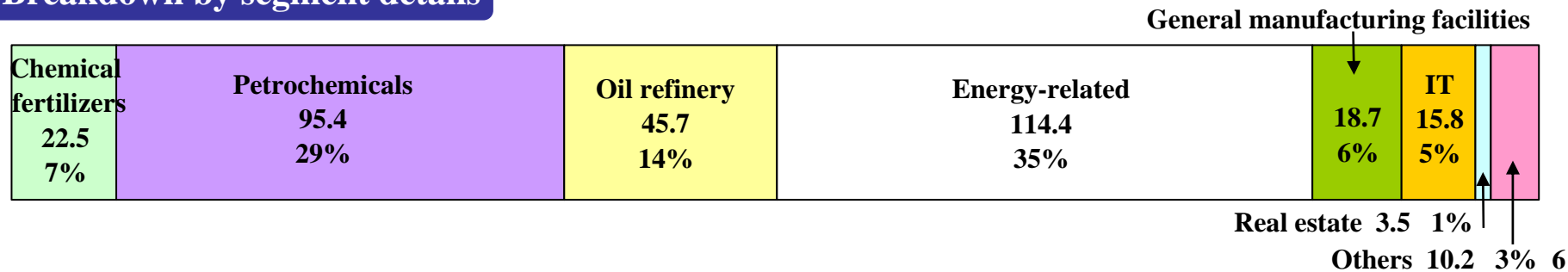
## Breakdown by region



## Major contracts

Over 10 billion yen	Over 5 billion yen	Over 3 billion yen
Petrochemical, THAILAND	Petrochemical, THAILAND	Petrochemical, JAPAN
Petrochemical, INDIA	Petrochemical, SAUDI ARABIA	Energy-related, JAPAN
Energy-related, QATAR		General manufacturing facility, JAPAN
Energy-related, RUSSIA		Petrochemical, SINGAPORE
Energy-related, BRAZIL (2 projects)		Petrochemical, INDONESIA
Oil refinery, BRAZIL		Energy-related, INDIA
Chemical fertilizer, VENEZUELA		Petrochemical, RUSSIA
		Oil refinery, BRAZIL
		General manufacturing facility, CHINA

## Breakdown by segment details

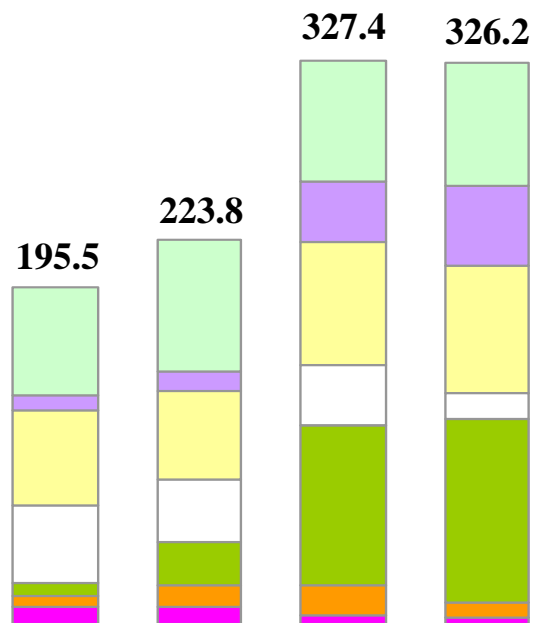


# Net sales

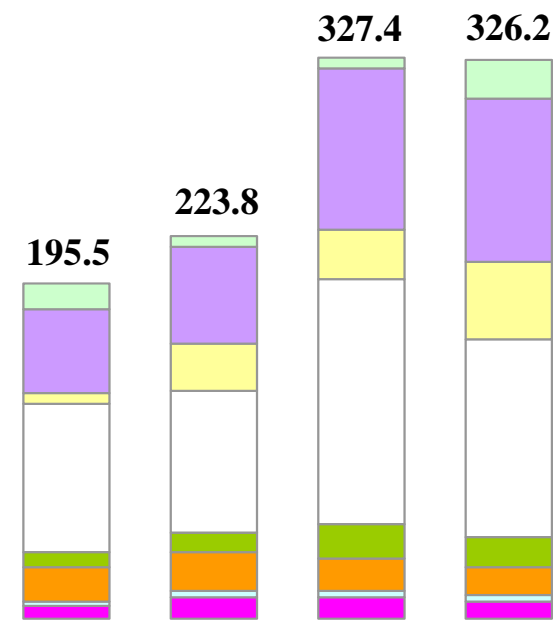


< Billion yen >

## Breakdown by region



## Breakdown by segment details



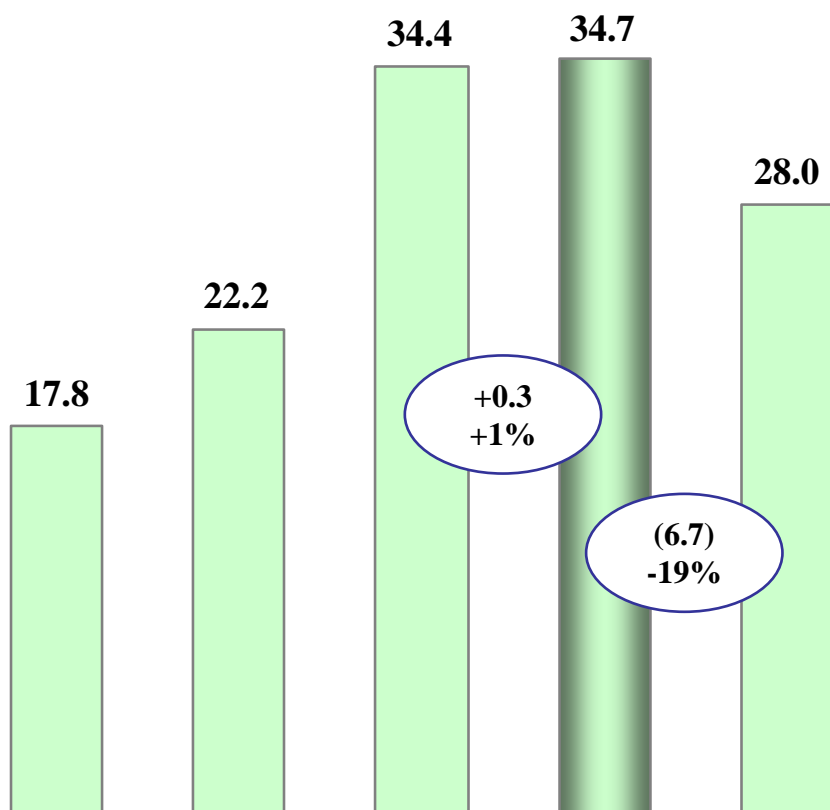
	2006/3	2007/3	2008/3	2009/3
Japan	63.1	77.2	70.8	71.7
Southeast Asia	8.4	10.5	34.1	45.8
Southwest Asia, Middle East and Africa	54.7	52.5	71.6	74.4
Russia and Central Asia	44.9	36.0	35.3	15.7
Central and South America	8.1	25.1	92.8	106.3
China	5.8	12.3	17.5	8.0
Others	10.5	10.2	5.3	4.3
<b>Total</b>	<b>195.5</b>	<b>223.8</b>	<b>327.4</b>	<b>326.2</b>

	2006/3	2007/3	2008/3	2009/3
Chemical fertilizers	15.3	6.5	6.4	22.5
Petrochemicals	48.8	57.2	94.0	95.4
Oil refinery	5.8	27.6	28.9	45.7
Energy-related	86.4	82.7	142.9	114.4
General manufacturing facilities	9.1	10.3	20.3	18.7
IT	20.1	23.7	18.2	15.8
Real estate	2.1	3.0	3.8	3.5
Others	7.9	12.8	12.9	10.2
<b>Total</b>	<b>195.5</b>	<b>223.8</b>	<b>327.4</b>	<b>326.2</b>

# Gross profit

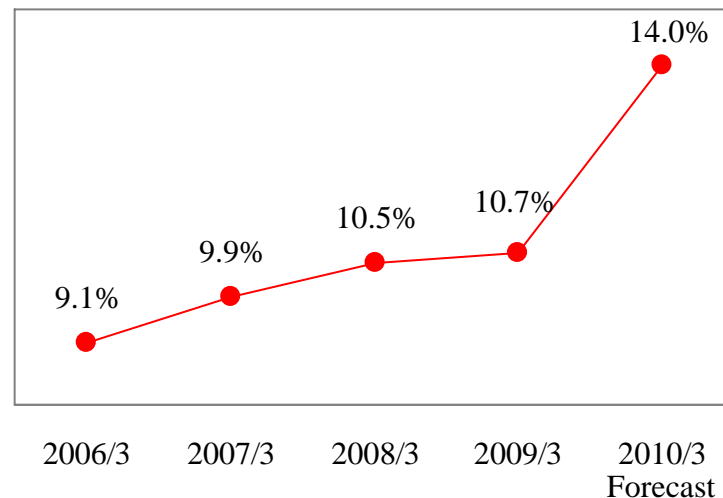


< Billion yen >



2006/3	2007/3	2008/3	2009/3	Forecast 2010/3

## Gross profit rate



## Compared with forecast for 2009/3

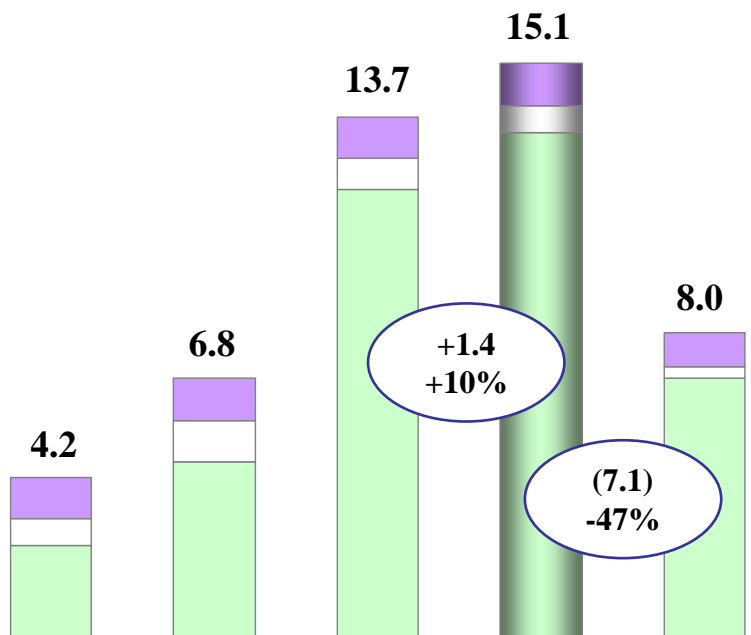
Forecast	2009/3	Difference	Achievement
35.0	34.7	(0.3)	99%

## Compared with last fiscal year

2008/3	2009/3	Difference	Achievement
34.4	34.7	+0.3	+1%

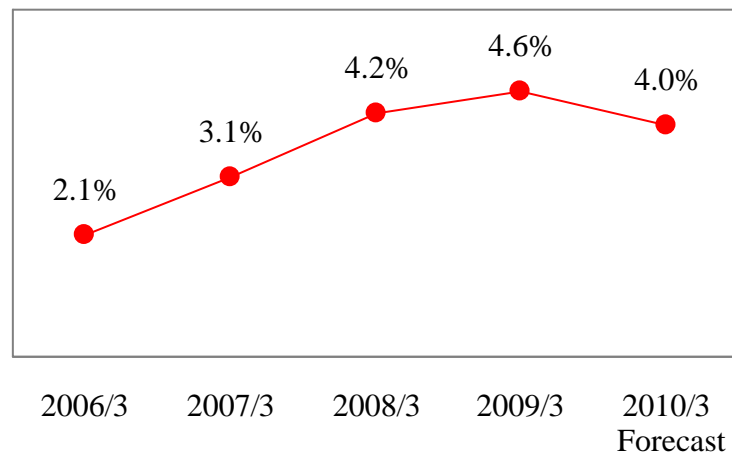
# Operating income

< Billion yen >



	2006/3	2007/3	2008/3	2009/3	Forecast 2010/3
EPC	2.4	4.6	11.8	13.3	6.8
IT	0.7	1.1	0.8	0.7	0.3
Real estate	1.1	1.1	1.1	1.1	0.9
<b>Total</b>	<b>4.2</b>	<b>6.8</b>	<b>13.7</b>	<b>15.1</b>	<b>8.0</b>

## Operating income rate



## Compared with forecast for 2009/3

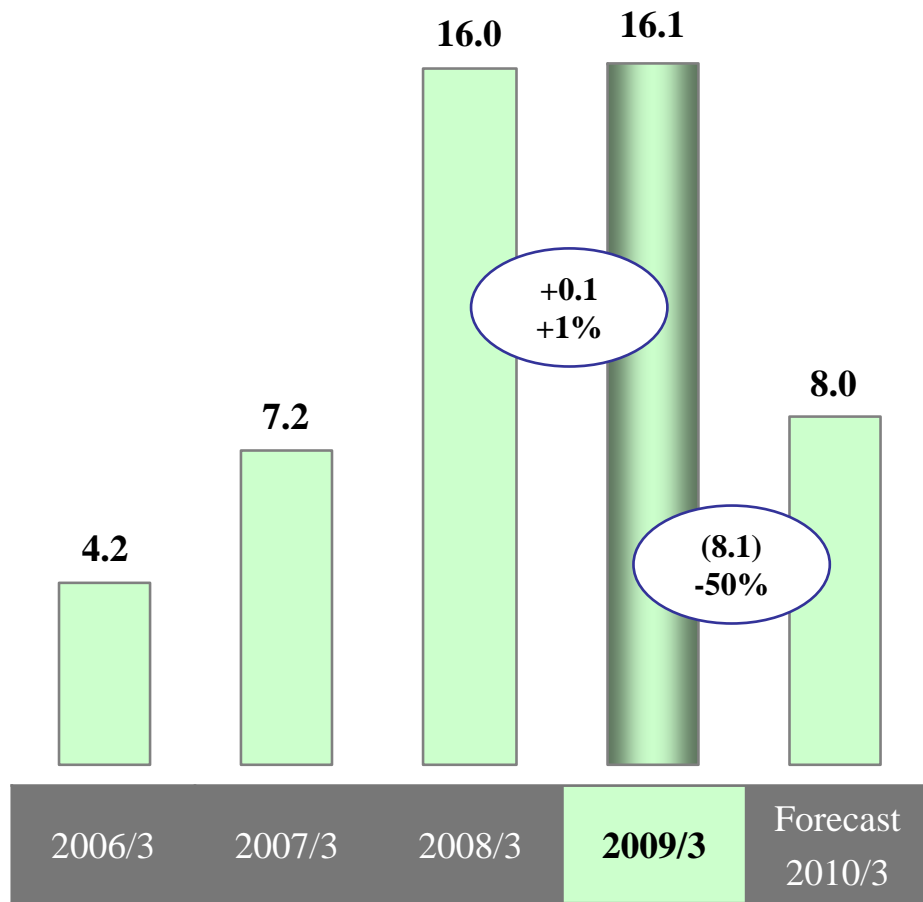
	Forecast	2009/3	Difference	Achievement
EPC	12.9	13.3	0.4	103%
IT	0.85	0.7	(0.15)	82%
Real estate	1.25	1.1	(0.15)	88%
<b>Total</b>	<b>15.0</b>	<b>15.1</b>	<b>0.1</b>	<b>101%</b>

## Compared with last fiscal year

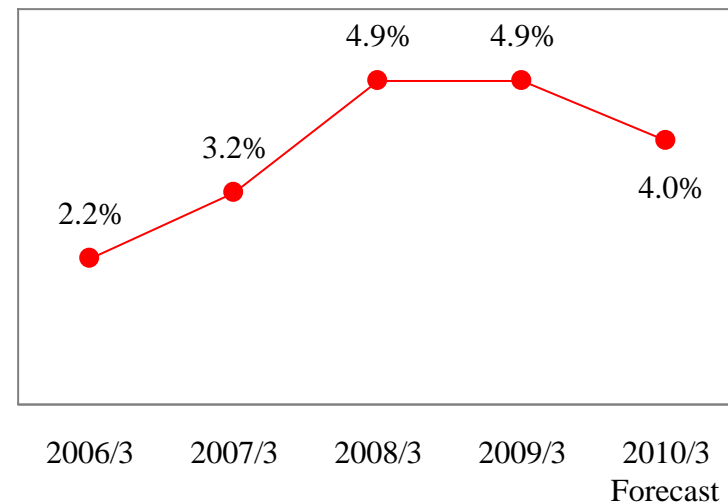
	2008/3	2009/3	Difference	
EPC	11.8	13.3	+1.5	+13%
IT	0.8	0.7	(0.1)	-13%
Real estate	1.1	1.1	(0.0)	-0%
<b>Total</b>	<b>13.7</b>	<b>15.1</b>	<b>+1.4</b>	<b>+10%</b>

# Ordinary income

< Billion yen >



## Ordinary income rate



## Compared with forecast for 2009/3

Forecast	2009/3	Difference	Achievement
16.5	16.1	(0.4)	98%

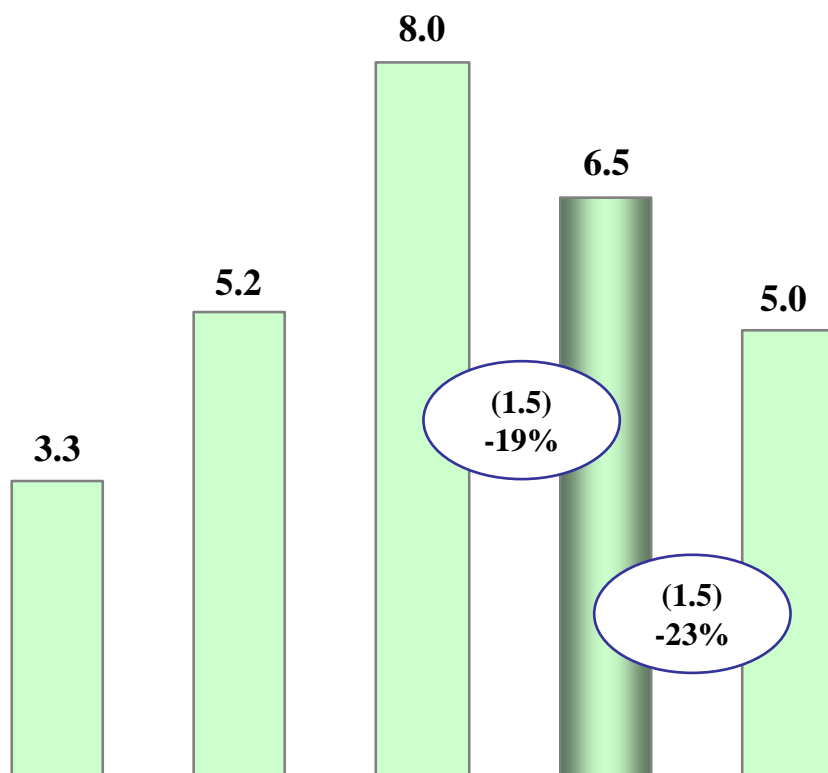
## Compared with last fiscal year

2008/3	2009/3	Difference	Achievement
16.0	16.1	+0.1	+1%

# Net income

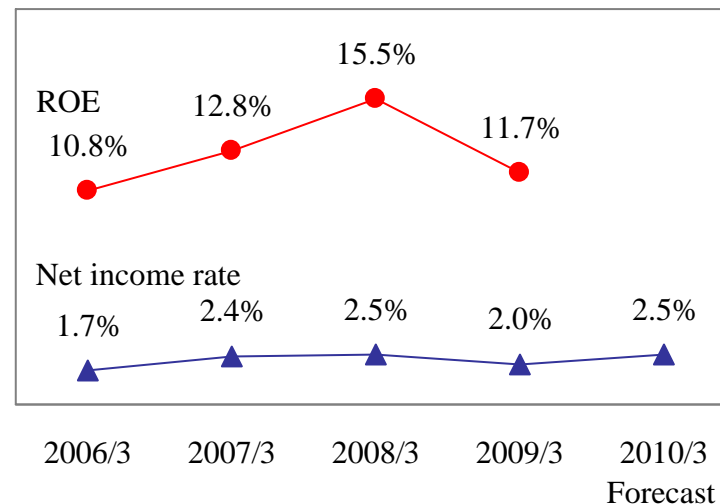


< Billion yen >



2006/3	2007/3	2008/3	<b>2009/3</b>	Forecast 2010/3
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## Net income rate & Return on Equity (ROE)



## Compared with forecast for 2009/3

Forecast	<b>2009/3</b>	Difference	Achievement
8.5	<b>6.5</b>	(2.0)	76%

## Compared with last fiscal year

2008/3	<b>2009/3</b>	Difference
8.0	<b>6.5</b>	(1.5) -19%

# Balance sheet



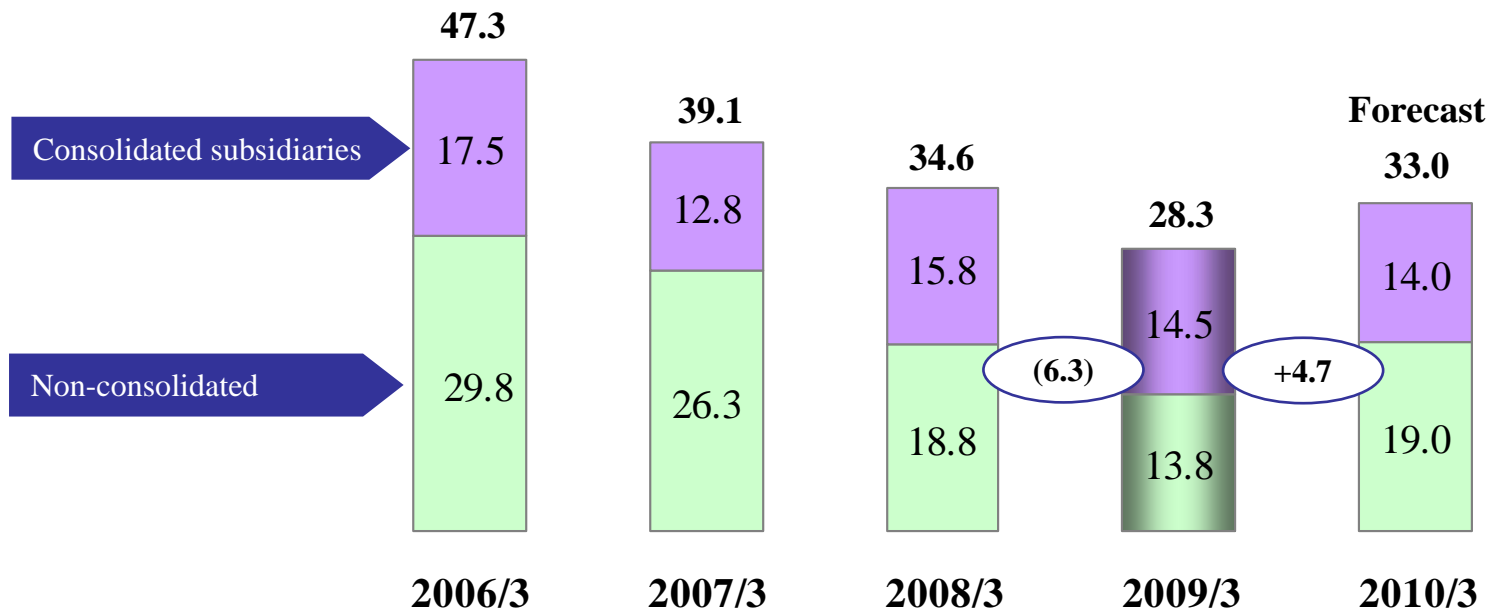
< Billion yen >

Assets	2008/3	2009/3	Difference
<b>Current assets</b>	<b>226.2</b>	<b>149.1</b>	<b>(77.1)</b>
Cash and deposits	34.3	33.1	(1.2)
Marketable securities	52.9	29.9	(23.0)
Other current assets	37.6	24.3	(13.3)
<Operating assets>			
Notes and account receivable	36.3	35.8	(0.5)
Contract work in progress	65.0	25.7	(39.3)
<b>Fixed assets</b>	<b>53.8</b>	<b>50.3</b>	<b>(3.5)</b>
Property, plant and equipment	36.9	34.5	(2.4)
Intangible assets	1.9	2.1	+0.2
Investments and assets	14.9	13.5	(1.4)
<b>Total assets</b>	<b>280.1</b>	<b>199.4</b>	<b>(80.7)</b>

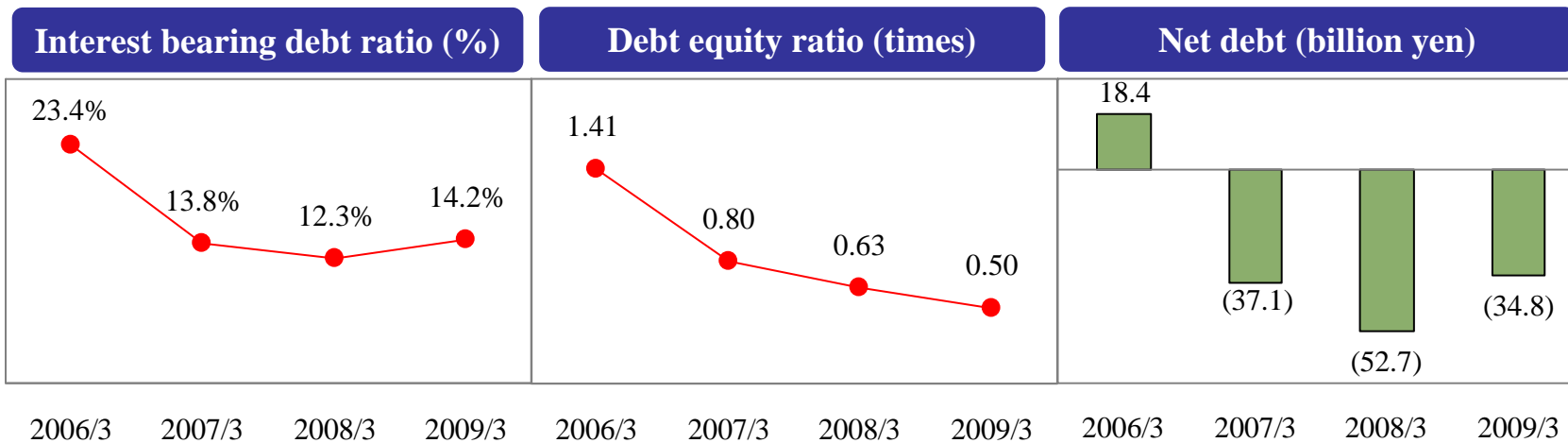
Liabilities and net assets	2008/3	2009/3	Difference
<b>Current liabilities</b>	<b>191.7</b>	<b>110.4</b>	<b>(81.3)</b>
Short-term interest bearing debt	9.8	6.1	(3.7)
Other current liabilities	13.5	11.3	(2.2)
<Operating liabilities>			
Notes and account payable	42.2	44.3	+2.1
Advance and other receipts	126.1	48.6	(77.5)
<b>Long-term liabilities</b>	<b>31.0</b>	<b>30.4</b>	<b>(0.6)</b>
Long-term interest bearing debt	24.7	22.2	(2.5)
Other long-term liabilities	6.2	8.2	+2.0
<b>Net assets</b>	<b>57.3</b>	<b>58.5</b>	<b>+1.2</b>
Shareholder's equity	53.1	58.3	+5.2
Valuation and translation adjustments	1.4	(1.6)	(3.0)
Minority interests	2.7	1.8	(0.9)
<b>Total liabilities and net assets</b>	<b>280.1</b>	<b>199.4</b>	<b>(80.7)</b>

# Interest bearing debt balance

< Billion yen >



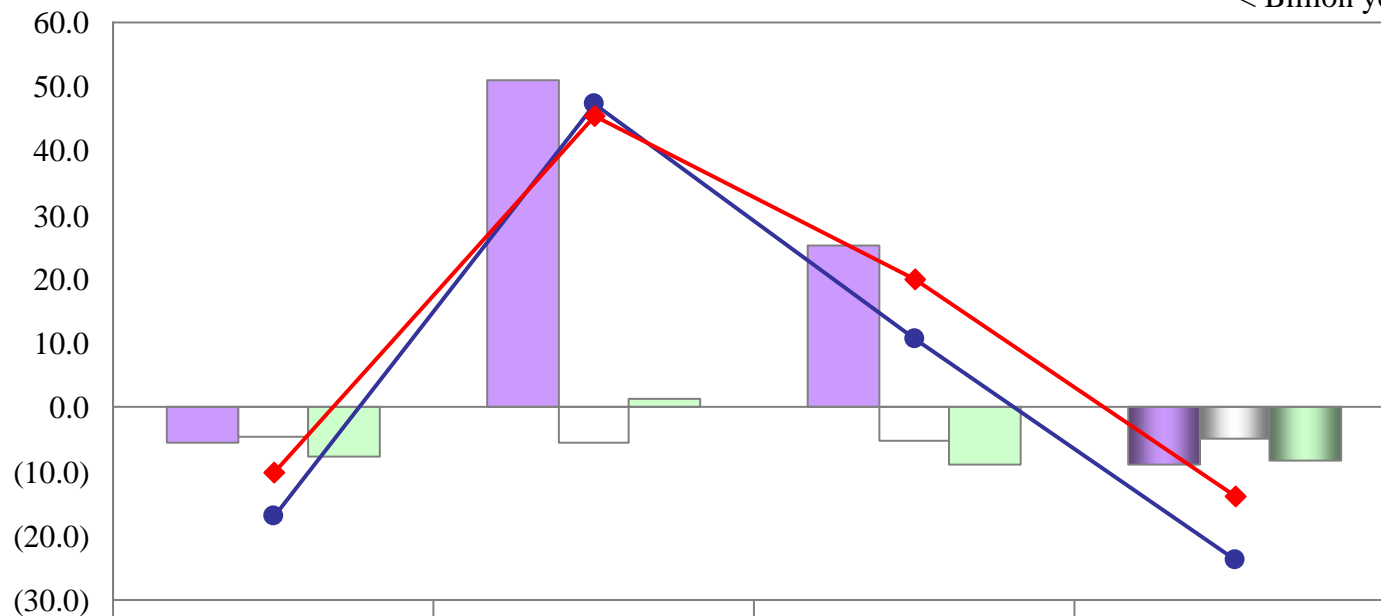
\* Interest bearing debt includes Lease obligation since 2008/3.



# Cash flows

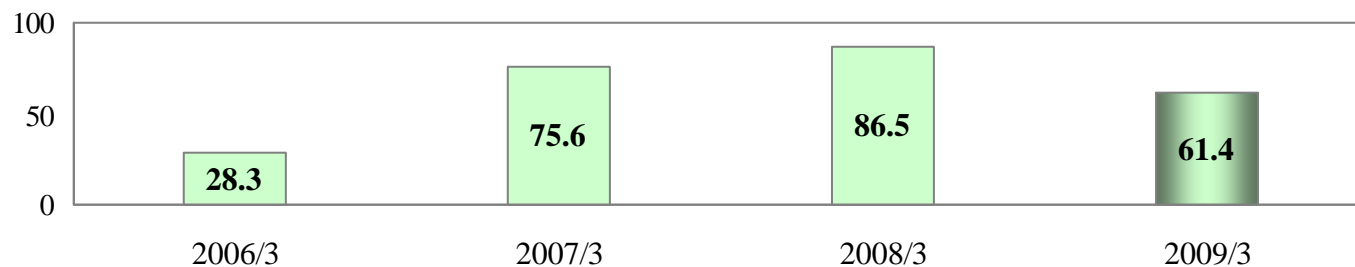
< Billion yen >

## Cash flows



	2005/4 - 2006/3	2006/4 - 2007/3	2007/4 - 2008/3	2008/4 - 2009/3
Operating activities	(5.5)	50.9	25.2	(8.9)
Investing activities	(4.5)	(5.4)	(5.2)	(4.9)
Financing activities	(7.5)	1.4	(9.0)	(8.3)
Net increase / decrease in cash	(17.1)	47.3	10.8	(23.8)
Free cash flow	(10.1)	45.5	20.0	(13.9)

## Cash, end of the fiscal



# New orders

➤ Not reached of target for 2009/3 (220 billion yen) due to global financial crisis.

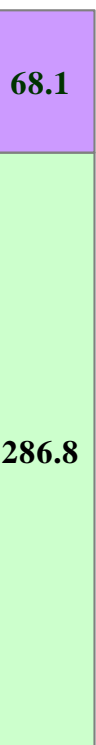
**2009/3 New orders : 119.2 billion yen**

**Compared with target for 2009/3**

	Target	2009/3	Difference	Achievement
Japan	57.0	56.6	(0.4)	99%
Overseas	163.0	62.6	(100.4)	38%
Total	220.0	119.2	(100.8)	54%

< Billion yen >

**354.9**



**257.8**



Japan

74.1

Overseas

183.6

**268.6**



71.1

197.5

**Target  
230.0**



70.0

160.0

**119.2**



56.6

62.6

2006/3

2007/3

2008/3

2009/3

2010/3

## Major contracts

Over 10 billion yen

Chemical fertilizer, VENEZUELA  
Oil refinery, BRAZIL

Over 5 billion yen

Petrochemical, JAPAN

Over 2 billion yen

General manufacturing facility, CHINA  
Energy-related, RUSSIA  
Energy-related, AFRICA  
Petrochemical, RUSSIA  
Petrochemical, INDIA  
General manufacturing facility, JAPAN

## Breakdown by consolidated companies

Toyo Engineering Corp.	84.6 billion yen
Domestic subsidiaries	21.9 billion yen
Overseas subsidiaries	12.7 billion yen

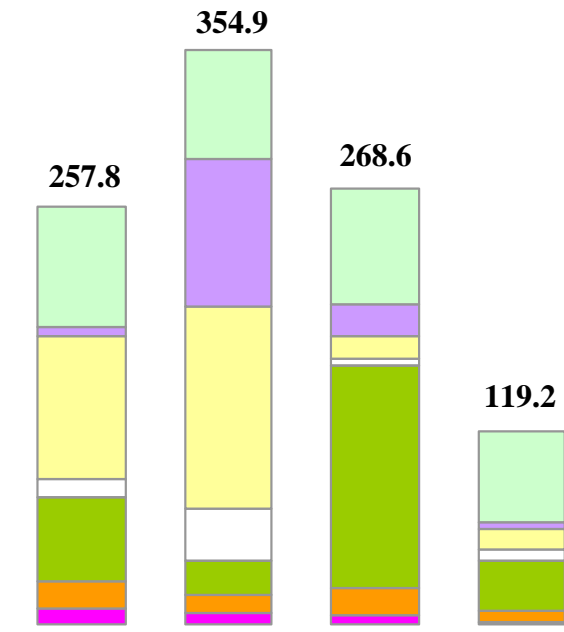
\*The above does not include figures related to real estate segment.

# New orders

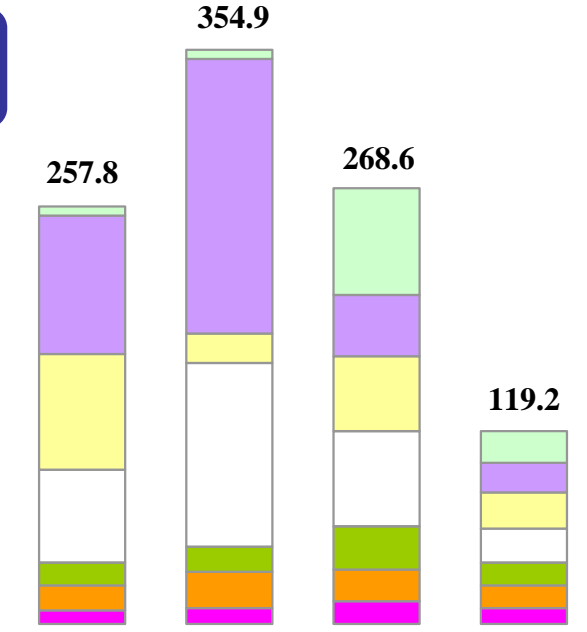


< Billion yen >

## Breakdown by region



## Breakdown by segment details



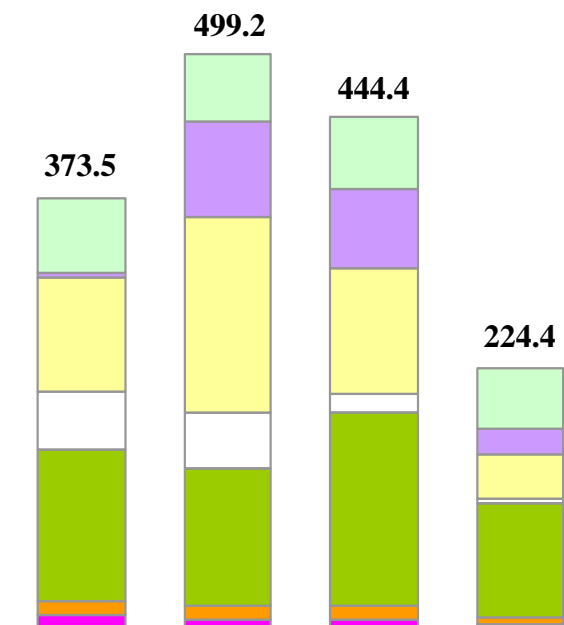
	2006/3	2007/3	2008/3	2009/3
Japan	74.1	68.1	71.1	56.6
Southeast Asia	4.9	89.9	19.8	4.1
Southwest Asia, Middle East and Africa	89.1	124.8	14.2	11.8
Russia and Central Asia	11.4	32.9	3.0	6.8
Central and South America	51.7	21.0	138.0	31.6
China	16.4	11.1	17.5	6.7
Others	9.9	7.1	5.0	1.6
<b>Total</b>	<b>257.8</b>	<b>354.9</b>	<b>268.6</b>	<b>119.2</b>

	2006/3	2007/3	2008/3	2009/3
Chemical fertilizers	4.4	6.0	64.7	19.1
Petrochemicals	86.3	168.9	38.4	18.9
Oil refinery	71.4	19.4	45.8	22.0
Energy-related	57.9	112.7	60.0	21.7
General manufacturing facilities	13.5	15.5	26.3	13.0
IT	14.8	22.0	19.4	14.7
Others	9.1	10.4	14.0	9.8
<b>Total</b>	<b>257.8</b>	<b>354.9</b>	<b>268.6</b>	<b>119.2</b>

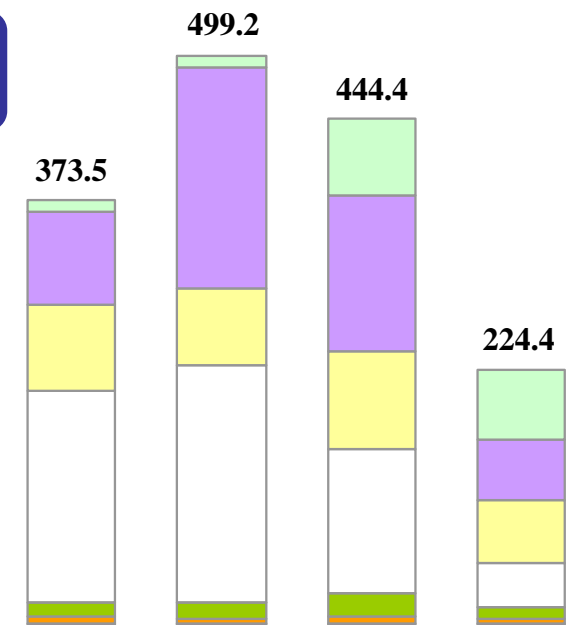
# Backlog of contracts

< Billion yen >

## Breakdown by region



## Breakdown by segment details



	2006/3	2007/3	2008/3	2009/3
Japan	65.8	59.5	63.5	51.1
Southeast Asia	3.3	82.7	67.6	22.6
Southwest Asia, Middle East and Africa	99.5	171.0	110.9	39.7
Russia and Central Asia	50.0	48.9	16.4	3.3
Central and South America	131.7	118.2	168.2	99.1
China	13.6	12.4	12.6	7.5
Others	9.6	6.5	5.2	1.1
<b>Total</b>	<b>373.5</b>	<b>499.2</b>	<b>444.4</b>	<b>224.4</b>

	2006/3	2007/3	2008/3	2009/3
Chemical fertilizers	10.1	9.7	67.6	62.4
Petrochemicals	82.0	194.2	136.7	51.4
Oil refinery	75.7	67.6	84.9	56.4
Energy-related	185.6	206.8	125.9	37.8
General manufacturing facilities	11.7	15.2	21.3	11.3
IT	5.9	4.2	5.5	3.1
Others	2.1	1.4	2.5	2.0
<b>Total</b>	<b>373.5</b>	<b>499.2</b>	<b>444.4</b>	<b>224.4</b>

# Forecast



< Billion yen >

**Forecast for breakdowns by segment**

Net sales	First half	Full year
EPC	94.3	185.3
IT	4.1	11.5
Real estate	1.6	3.2
<b>Total</b>	<b>100.0</b>	<b>200.0</b>

Operating income	First half	Full year
EPC	1.8	6.8
IT	(0.3)	0.3
Real estate	0.5	0.9
<b>Total</b>	<b>2.0</b>	<b>8.0</b>

	2009/3	Forecast for 2010/3	
		First half	Full year
<b>Net sales</b>	<b>326.2</b>	<b>100.0</b>	<b>200.0</b>
<b>Gross profit</b>	<b>34.7</b>	<b>12.0</b>	<b>28.0</b>
Gross profit rate	10.7%	12.0%	14.0%
<b>Operating income</b>	<b>15.1</b>	<b>2.0</b>	<b>8.0</b>
Operating income rate	4.6%	2.0%	4.0%
<b>Ordinary income</b>	<b>16.1</b>	<b>2.0</b>	<b>8.0</b>
<b>Net income</b>	<b>6.5</b>	<b>1.5</b>	<b>5.0</b>
<b>New orders</b>	<b>119.2</b>	<b>-</b>	<b>230.0</b>
<b>Dividends per share (yen) (Non-consolidated)</b>	<b>¥7.0</b>	<b>¥2.5</b>	<b>¥5.0</b>

Exchange rate for Forecast 1US\$= ¥90.00

# - Reference - Subsidiaries information



## Results of major subsidiaries and affiliates

		Business fields	Capital	Share	Net sales 2009/3
			Billion yen	%	Billion yen
<b>Consolidated subsidiaries</b>					
Japan	Toyo Business Engineering Corporation	IT	0.7	51	13.9
Japan	TEC Estate, Ltd.	Real Estate	6.0	100	2.6
Japan	Suntec Corporation	Real Estate	0.5	100	2.1
Korea	Toyo Engineering Korea Ltd.	EPC	0.5	100	14.9
India	Toyo Engineering India Ltd.	EPC	0.3	74	14.0
<b>Equity method affiliates</b>					
Thailand	Toyo-Thai Corporation Public Company Ltd.	EPC	1.3	36	28.1

<Companies>

## Consolidated Subsidiaries / Equity method affiliates

		2006/3	2007/3	2008/3	2009/3
Consolidated subsidiaries		15	14	14	12
Equity method affiliates		1	1	1	2
<b>Total</b>		<b>16</b>	<b>15</b>	<b>15</b>	<b>14</b>
Japan		8	7	7	7
Overseas		8	8	8	7
<b>Total</b>		<b>16</b>	<b>15</b>	<b>15</b>	<b>14</b>

# - Reference - Historical data



		2006/3	2007/3	2008/3	2009/3	Forecast 2010/3
Net sales	Billion yen	195.5	223.8	327.4	326.2	200.0
Gross profit	Billion yen	17.8	22.2	34.4	34.7	28.0
Gross profit rate	%	9.1%	9.9%	10.5%	10.7%	14.0%
Operating income	Billion yen	4.2	6.8	13.7	15.1	8.0
Operating income rate	%	2.1%	3.1%	4.2%	4.6%	4.0%
Ordinary income	Billion yen	4.2	7.2	16.0	16.1	8.0
Net income	Billion yen	3.3	5.2	8.0	6.5	5.0
Interest bearing debt	Billion yen	47.3	39.1	34.6	28.3	33.0
Interest bearing debt ratio	%	23.4%	13.8%	12.3%	14.2%	
Net debt	Billion yen	18.4	(37.1)	(52.7)	(34.8)	
Debt equity ratio	times	1.41	0.80	0.63	0.50	
Equity ratio	%	16.6%	17.4%	19.5%	28.4%	
Operating activities CF	Billion yen	(5.5)	50.9	25.2	(8.9)	
Investment activities CF	Billion yen	(4.5)	(5.4)	(5.2)	(4.9)	
Finance activities CF	Billion yen	(7.5)	1.4	(9.0)	(8.3)	
New orders	Billion yen	257.8	354.9	268.6	119.2	230.0
Backlog of contracts	Billion yen	373.5	499.2	444.4	224.4	257.6
Dividends per share (Non-consolidated)	yen	3.0	3.0	6.0	7.0	5.0



**For further questions on this material, please contact ;**

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The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.